

March 29, 2019

The Honorable Sonny Perdue Secretary U.S. Department of Agriculture 1400 Independence Ave SW Washington, DC 20250

### Dear Secretary Perdue:

On behalf of the State of Washington, I write to express my grave concerns with the Food and Nutrition Service's (FNS) proposed rule, "Supplemental Nutrition Assistance Program (SNAP): Requirements for Able-Bodied Adults Without Dependents (ABAWDs)." This misguided and harmful policy would severely restrict access to food assistance for those who need it most, exacerbating hunger and making it even more difficult for people in poverty to find work. It removes state flexibility, rips away food assistance from 755,000 vulnerable Americans, worsens our homelessness crisis, and fails to achieve the Administration's stated goal of improving self-sufficiency. I strongly urge that it be withdrawn.

Evidence shows that SNAP is one of the most important lifelines for families and communities facing economic hardship, lifting millions of Americans out of poverty and food insecurity every year. More than 42 million people across the country rely on SNAP for food assistance, including more than 920,000 in Washington alone. It is a particularly significant safety net for our most vulnerable, as 75 percent of SNAP households include a child, an elderly person, or a person with disabilities. The program is also a key economic driver that supports food producers, farmers' markets, and retailers. Every dollar spent on nutrition assistance expands the economy by approximately \$1.70, boosting local economies and supporting 260,000 individual retailers nationwide. Support of the most important lifetimes for families and communities facing the control of the most important lifetimes for families and communities for families and communities facing the support of the most vulnerable and support for families and communities families families and communities families f

This administration's proposal would radically alter the SNAP program for certain populations and take away needed flexibility from states, imposing a top-down, one-size-fits-all approach that prevents Washington from addressing the unique and individualized needs of our local communities. It would directly harm our people and our economy, threatening to rip away food assistance from more than 91,000 individuals who currently receive an average monthly benefit

<sup>&</sup>lt;sup>3</sup> CBPP, April 2018.





<sup>&</sup>lt;sup>1</sup> Center for Budget and Policy Priorities (CBPP), March 2018.

<sup>&</sup>lt;sup>2</sup> Washington State Department of Agriculture (WSDA), January 2018.

of \$210.40, while reducing annual total revenue for Washington by over \$32.6 million. Nationally, the proposed changes would result in a loss of \$85 billion in economic activity for grocery stores, farmers, and other local food retail suppliers. It is a cruel and mean-spirited policy that damages people and businesses alike.

Congress rejected these exact changes on a bipartisan basis last year. In considering the 2018 Farm Bill (P.L. 115-661), which was approved by large majorities in both chambers and signed by the President on December 20, 2018, Congress debated and subsequently excluded these changes to the SNAP program that would strip state flexibility and impose harsh, inflexible requirements on beneficiaries. To any objective observer, it is clear that these changes were not intended to be made and that USDA's proposal runs counter to congressional intent. I encourage USDA to heed the advice of Congress in withdrawing this deeply harmful policy.

I appreciate the opportunity to share our state's concerns and hope you give them the attention and consideration they deserve. Below, please find additional feedback from our state on specific questions raised by USDA in the proposed rule.

## **Labor Market Areas for Grouping**

In USDA's proposal, the Department specifically requested comments on the use of Labor Market Areas (LMAs) for grouping areas. We believe LMAs defined by the Federal government should be included as the basis for grouping areas, and that grouping should <u>not</u> be prohibited entirely. States are currently given discretion to define groups or areas to be combined, provided the areas are contiguous or considered part of the same economic region. Availability of jobs is examined when counties are in close proximity to counties where individuals often commute. Washington uses this discretion for LMA groupings because we understand our residents are disadvantaged when they are required to travel unreasonable distances for employment. People should be able to readily change jobs without being forced to change their place of residence, particularly as most ABAWDs have limited resources and cannot easily commute or change residences to obtain employment.

If LMAs are not a basis for grouping, participants may not be able to reside and find employment within a reasonable distance or change jobs without also having to change their residence. Denying states the ability to group counties would negatively impact an estimated 91,203 individuals in Washington identified as ABAWDs. The loss of waivers for these counties would also cause a negative impact on our local economies.

# Setting a Floor for the 20 Percent Standard

Washington does not support USDA's proposal to establish a floor for the 20 percent standard, which would further limit state flexibility and restrict necessary waivers to appropriately serve SNAP beneficiaries. We do not believe that a floor of 6 percent, 7 percent or 10 percent is needed or advisable. (See Table 2 for additional data on how these changes would adversely affect our state.) We believe the current floor setting that has been established at 20 percent above the average national unemployment rate is appropriate and necessary.

The current standard is essential to allow flexibility in requesting necessary waivers. This flexibility is granted with the knowledge that state and local leaders are best equipped to develop solutions for their specific labor markets and industries. While the unemployment rate does provide essential data, it does not take into account a community's individualized workforce needs or that its residents may not be well-suited to find and keep locally available jobs due to lack of housing, skills, training, or other barriers. To illustrate this, Table 1 highlights the top ten occupations, hard skills, certifications, and employers in Washington according to our Employment Security Department (ESD):

Table 1: Employer Demand in Washington State					
Occupations	Hard Skills	Certifications	Employers		
Software	Microsoft Office	Driver's License	Amazon		
Developers Registered Nurses	Quality Assurance	Commercial Driver's License	Providence Health & Services		
Retail Salespersons	Microsoft PowerPoint	Class A Commercial Driver's License	State of Washington		
Computer Occupations	Freight+ Software	Basic Life Support	Peace Health		
First-Line Supervisors of	Development Java	Certified Registered Nurse	University of Washington		
Retail Sales Workers	Structured Query	Certification in Cardiopulmonary	Microsoft		
Marketing	Language	Resuscitation	Catholic Health Initiatives		
Managers Stock Clerks and	Python Bilingual	Security Clearance Continuing	MultiCare Health System		
Order Filers Customer Service	Forklifts	Education	Schweitzer		
Representatives		First Aid Certification	Engineering Laboratories		
Heavy and Tractor-Trailer Drivers		HAZMAT	Kaiser Permanente		
First-Line Supervisors of Food Preparation and Serving Workers		7			

Job readiness in these fields can be an insurmountable goal for individuals who must navigate numerous and repetitive barriers on a daily basis. From homelessness and housing instability to domestic violence, mental health, and substance use disorder, there are myriad and significant barriers facing ABAWDs that prevent them from effectively seeking and obtaining employment. In many cases, these barriers must be addressed *first* for an individual to be ready for job training and the workforce. A person experiencing homelessness must primarily focus on where they are going to sleep and eat, for example, not where are they going to find work.

In Washington, we estimate that more than 43 percent of our state's ABAWD population is currently experiencing homelessness — disproportionately higher than the broader SNAP population, of which only 11 percent are experiencing homelessness. Nearly 60 percent of the ABAWD population is suffering from behavioral or physical health conditions, including substance use disorder. For these individuals, USDA's proposal would do nothing to help them find work, while adding yet another obstacle in their way — food insecurity. It would not achieve USDA's stated goal of promoting self-sufficiency and in fact would make it more difficult for ABAWDs to find employment.

Large percentages of SNAP recipients also experience labor market fluctuations due to seasonal employment, part-time work, or underemployment, and would be directly harmed by USDA's proposal despite their participation in the workforce. The vast majority of those who transition between working more than 20 hours a week and a different employment status — less than 20 hours a week, seeking employment, or not in the labor force — are working on a monthly basis but still may not meet USDA's one-size-fits-all work requirement. Under the proposed rule, a large number of individuals would lose food assistance as a result of volatility in the labor market and through no fault of their own.

We support current federal regulations that allow states to waive the three-month time limit in geographic areas with high unemployment or insufficient jobs. Creating an unemployment rate floor would negatively impact a large number of counties across our state, including wide swaths of rural and economically disadvantaged communities. The loss of waivers would affect SNAP eligibility for tens of thousands of Washington citizens who may otherwise not qualify for food assistance.

<sup>&</sup>lt;sup>4</sup> Department of Social and Health Services (DSHS) Economic Services Administration (ESA), January 2019.

Table 2 below illustrates how the proposed changes would impact SNAP recipients in Washington under USDA's proposed changes. A review of data shows that there is no difference in the number of counties and SNAP recipients adversely affected at 7 or 10 percent.

Table 2: Impact of Proposed Changes to Washington State <sup>5</sup>				
Proposed Change	Loss of Grouping	6% Floor	7% or 10% Floor	
SNAP Recipients Adversely Affected	15,321	75,407	91,203	
Counties Adversely Affected	Asotin, King, San Juan, Snohomish, Walla Walla, Whitman (6 counties)	Adams, Asotin, Benton, Chelan, Clark, Columbia, Cowlitz, Douglas, Franklin, Island, Jefferson, King, Kitsap, Kittitas, Klickitat, Lincoln, Pierce, San Juan, Skagit, Skamania, Snohomish, Spokane, Thurston, Walla Walla, Whatcom, and Whitman	All counties except Ferry (38 counties	

### **Eliminating the Carryover Exemption Provision**

Washington strongly disagrees with USDA's interpretation of the ABAWD exemption provision of the 2018 Farm Bill, which decreases ABAWD exemptions granted to states from 15 percent to 12 percent. It is our interpretation that the law did <u>not</u> intend for USDA to limit the carryover of exemptions for "covered individuals," and only lowered the percentage of exemptions granted to each state. We believe this proposal is contrary to congressional intent and should be withdrawn.

The 2018 Farm Bill and current regulations give states flexibility over whether and when to use and carryover these exemptions. Washington depends on this flexibility to effectively operate our program. In 2015, Washington was one of ten states awarded a SNAP Employment and Training (E&T) pilot, which tests innovative approaches to employment for work registrants. Participants were randomly assigned to a control and treatment group. Washington was able to

<sup>&</sup>lt;sup>5</sup> DSHS ESA, January 2019.

use our 15 percent exemptions to ensure participants assigned to the control group remained engaged and eligible for food assistance to ensure accuracy of our pilot. The elimination of carryover exemptions would significantly impact our state's ability to carry out the E&T pilot and effectively operate our SNAP program.

#### Conclusion

Washington strongly opposes USDA's proposal threatening food assistance for more than 91,000 individuals in our state and 755,000 Americans nationwide. We understand that obtaining employment can be difficult for many ABAWDs working to reach their full potential, many of whom face significant barriers — including homelessness and substance use disorder — with little or no resources. We also understand that state flexibility is necessary to meet the unique needs of the ABAWD population and our local economies. The current rules, which have been in place for 20 years, are reasonable, transparent, manageable, and effective. We see no rational justification for this administration's sweeping changes that would undermine our state's success in reducing hunger and moving people to employment. I urge that it be withdrawn.

We appreciate your consideration of our state's perspective. If you have any questions, please contact the Director of my Washington, D.C. Office, Casey Katims, at Casey.Katims@gov.wa.gov. Thank you.

Very truly yours,

Jay Inslee Governor

cc:

Washington Congressional Delegation

Cheryl Strange, Secretary, Department of Social and Health Services (DSHS)
David Stillman, Assistant Secretary, DSHS Economic Services Administration
Rebette Rebette Director, DSHS Community Services Division

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<sup>&</sup>lt;sup>6</sup> Centers for Disease Control and Prevention (CDC), July 2017.